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TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley By Maria Oms
Auditor-Controller

SUBJECT: **Cash Flow Projection/Potential Vehicle License Fee Loss**

Attached is the latest cash flow projection for the General Fund and Hospital Funds. The estimated June 30, 2004 combined cash balances for the General Fund and Hospital Funds are positive \$502 million, which is the same as the previous month's estimate.

The County was confronted with the possible loss of Vehicle License Fees (VLF) estimated at \$575 million for the remainder of this fiscal year. However, the Governor and State Controller have indicated that VLF funds will be remitted to local government agencies and the cash projection continues to reflect VLF funding at the levels anticipated in the County's Budget.

Although there are indications that the State will resume VLF funding at levels anticipated by the County's Budget, the CAO has informed your Board that budget adjustments will be recommended in the event that VLF funding is disrupted. The cash flow projection will be amended in conjunction with the approval of any changes to the Budget.

Short-Term Outlook

Our previous report estimated the November 30, 2003 cash balances at positive \$326 million. The actual cash balances were \$302 million. The difference was primarily due to lower than anticipated cash receipts for social service programs. The estimated December 31, 2003 cash balances are positive \$808 million.

We will continue to monitor the County's cash position throughout the year and provide monthly reports to you. If you have any questions, please call.

JTM-JN-leh
Admin/cfp2

Attachment

c: David E. Janssen
Mark J. Saladino
Violet Varona-Lukens
Dr. Thomas L. Garthwaite
Fred Leaf

**GENERAL FUND
HOSPITAL FUNDS
MONTHLY CASH FLOW PROJECTION**
(in thousands)

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL							
Description	July 2003	August 2003	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004	April 2004	May 2004	June 2004
General Fund :												
Beginning Cash	\$ 918,806	\$1,078,529	\$ 667,423	\$ 308,176	\$ 302,740	\$ 192,258	\$ 692,759	\$ 612,113	\$ 696,036	\$ 390,562	\$ 670,965	\$ 565,879
Receipts	1,783,499	678,032	816,937	1,026,642	770,177	1,941,597	1,118,643	1,440,894	758,956	1,416,137	914,086	1,475,049
Disbursements	(1,623,776)	(1,089,138)	(1,176,184)	(1,032,078)	(880,659)	(1,441,096)	(1,199,289)	(1,356,971)	(1,064,430)	(1,135,734)	(1,019,172)	(1,643,710)
Month End Cash	\$1,078,529	\$ 667,423	\$ 308,176	\$ 302,740	\$ 192,258	\$ 692,759	\$ 612,113	\$ 696,036	\$ 390,562	\$ 670,965	\$ 565,879	\$ 397,218
Hospital Funds :												
Month End Cash	35,789	109,707	108,406	148,621	109,837	115,000	115,000	115,000	115,000	115,000	115,000	105,000
Total Month End Cash	\$1,114,318	\$ 777,130	\$ 416,582	\$ 451,361	\$ 302,095	\$ 807,759	\$ 727,113	\$ 811,036	\$ 505,562	\$ 785,965	\$ 680,879	\$ 502,218